

Washington, DC - Today, Congressman Sestak voted for H.R. 5613 the Protecting the Medicaid Safety Net Act of 2008 (HR 5613), of which he is as cosponsor. This bill postpones for one year — until April 1, 2009 — the implementation of new rules proposed by the administration that would reduce federal Medicaid payments to the states. The bill passed 349 – 62. — “I was proud to vote for and cosponsor this legislation, as it puts a hold on dangerous rules that threaten to pull Medicaid funding from those who need it most,” said Congressman Sestak. “For instance, this bill puts a moratorium on a regulation that would limit state Medicaid payments to our public hospitals, which subsequently limits federal matching payments. The United States’ health security is critical to its overall national security. This bill ensures continued support for the health security of America’s children and seniors, and disabled as well as helping local small businesses.”

Specifically, the Protecting the Medicaid Safety Net establishes a one-year moratorium on regulations that would:

- Eliminate payment for some rehabilitation services for Medicaid beneficiaries, such as children in foster care of individuals with mental illness;
- Limit state Medicaid payments to public hospitals, and thereby limiting federal matching payments;
- Bar compensation for state child welfare agencies that provide Medicaid services;
- Bar the use of Medicaid funds for the transportation of school-age Medicaid patients to and from school, and prohibit the use of Medicaid funds for administrative activities performed by a school employee;
- Limit state taxes on Medicaid providers by redefining what the Centers for Medicare and Medicaid Services considers to be an “allowable” provider tax;
- Restrict Medicaid payment for certain outpatient services, such as dental and vision services provided to Medicaid patients in outpatient clinics;
- Prohibit Medicaid payments for graduate medical education; and
- Limit Medicaid payments to hospitals and nursing homes that service Medicaid patients.

Furthermore, the measure requires the Health and Human Services (HHS) Department to complete a report outlining specific problems the administration’s new regulations are intended to solve. It also instructs HHS to create an independent contractor to review the effects of the regulations on states. The independent contractor would review states’ systems for reporting Medicaid claims and then make recommendations on how to impose them.

The bill also requires each state to implement an asset verification program to determine electronically the eligibility of individuals to receive Medicaid. In addition, the bill authorizes \$25 million annually for efforts to reduce fraud and abuse in Medicaid.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the Congress.